

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

v.

**KENNETH W. CRUMBLEY, JR. and
SEDONA OIL & GAS CORPORATION,**

Defendants.

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Civil Action No. 3:16-CV-0172-L

ORDER

Before the court is Receiver's Motion to: (1) Approve Plan of Distribution; and (2) Terminate the Receivership and Discharge the Receiver ("Motion") (Doc. 69), filed April 9, 2018. On June 1, 2018, the court held a hearing regarding the Motion. After careful consideration of the Motion, evidence presented, arguments of counsel, and objections,* the court **grants** the Motion and it is therefore:

Ordered that the Receiver is hereby authorized to make pro rata payments from the remaining receivership assets to the investors listed in Classification Nos. 1 and 2 as set forth in the Motion and the Supplemental Claims Register (Doc. 77); it is further

Ordered that investors and creditors set out in Classification Nos. 3 and 4 respectively in Supplemental Claims Register (Doc. 77) shall not recover from the Receivership; it is further

* The court read these objections and required the Receiver's attorney to address them at the hearing. After considering the objections and the Receiver's response, the court was convinced that they should be overruled.

Ordered that the objections of Peter M. Creelman and David Collins are hereby **overruled**; it is further

Ordered that all Sedona assets not disposed of or sold by the Receiver, including the six inactive wells described on page 13 of the Motion, and all of Sedona's remaining liabilities, shall remain the property of, or liability of, respectively, post-receivership Sedona; it is further

Ordered that the Eighth and Ninth Quarterly Fee Applications are approved and the Receiver is hereby authorized to pay: the Receiver \$37,530 for the Eighth Quarterly Fee Application and \$49,170 for the Ninth Quarterly Fee Application; LSS&M \$16,526.14 for the Eighth Quarterly Fee Application and \$57,676.16 for the Ninth Quarterly Fee Application; and Munsch Hardt Kopf & Harr, P.C. \$13,178.01 for the Eighth Quarterly Fee Application and \$17,169.86 for the Ninth Quarterly Fee Application; it is further

Ordered that the Receiver is hereby authorized to remit the current holdback amount of \$144,130.92 and to make payment out of the holdback to the Receiver for \$61,572; LSS&M for \$26,939.30; and Munsch Hardt Kopf & Harr, P.C. for \$55,619.62; it is further

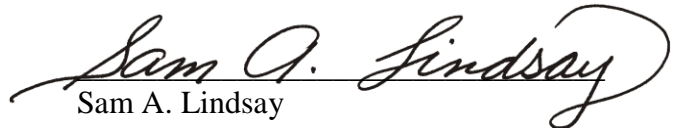
Ordered that the Receiver is hereby authorized to withhold \$50,000 from the Receivership Estate, as set out in the Motion, for the following: the payment of fees and expenses incurred since March 31, 2018, and an additional \$25,000 for final Receivership expenses for completing the distribution to investors; filing the Receiver's Final Accounting and Report and Request for Discharge; locating or attempting to locate, any investors whose distribution payments are returned; for the filing of any additional pleadings or notices necessary, including without limitation, final tax returns; final office rent; and the cost to dispose of company records containing personal and confidential information; it is further

Ordered that the Receiver is hereby authorized to retain investor and employee files to obtain confirmation from the Securities and Exchange Commission (“SEC”), or other federal agencies it may specify, by no later than **October 30, 2018**, that there is no further need for this information, at which time the Receiver is hereby authorized to destroy those records containing personal and confidential information; it is further

Ordered that after all actions set forth herein are taken, the Receiver is hereby authorized to remit any remaining funds to the SEC, or to whomever the SEC directs; and it is further

Ordered that after completion of all distribution duties, and the filing of her final report and accounting, that the Receivership be terminated and that the Receiver be discharged from any and all further obligations, liabilities, or claims in regard to her duties as the Court-appointed Receiver over Sedona Oil & Gas Corporation, Kenneth W. Crumbley, Jr., or any of their affiliates or related entities.

It is so ordered this 6th day of July, 2018.


Sam A. Lindsay
United States District Judge